



KDH Update - BUY

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Company Update

Recommendation

BUY

HOSE: KDH

Property

Current price (VND) **24,200**

Target price (VND) **34,100**

Expected share price return 41.0%

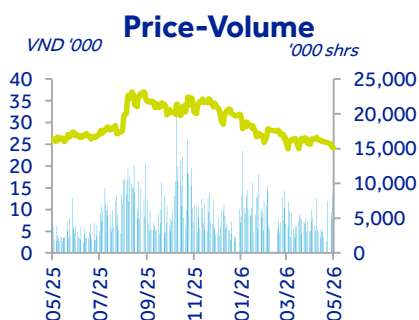
Expected dividend yield 0.0%

Expected total return **41.0%**

Stock performance (%)

	YTD	1M	3M	12M
Absolute	-23.2	-3.2	-4.7	-6.9
Relative	-30.7	-17.0	-13.6	-62.2

Source: Bloomberg



Ownership

Tien Loc Investment JSC	11.23%
Gamma	7.55%
A Au	7.52%

Stock Statistics

7-May-26

Bloomberg code	KDH VN
52-week range (VND)	23,850 - 38,100
Shares O/S (m)	1,122
Mkt cap (VND bn)	27,158
Mkt cap (USD m)	1,030
Foreign room left (%)	22.5
Est. free float (%)	64.5
3m avg daily vol (shrs)	4,709,322
VND/USD	26,368
Index: VNIIndex / HNX	1909.01/247.76

KHANG DIEN HOUSE TRADING AND INVESTMENT JSC (KDH VN)

1Q2026 profit increased sharply mainly thanks to a goodwill gain of VND285 bn from the acquisition of the An Lap project. We adjust our projected NPATMI upwards by 18% to VND1,489 bn (+42% YoY) to reflect the aforementioned profit. The target price is adjusted up by 2% to VND34,100/share, mainly thanks to the addition of the An Lap project, partially offset by an increase of VND4,130 bn in net debt. Reiterate our Buy recommendation.

KDH recorded mixed 1Q2026 business results with net revenue decreasing by 60% YoY to VND 281 bn, but NPATMI increasing by 131% YoY to VND 281 bn. Revenue decreased due to fewer units delivered (1Q2026 delivery of 5 low-rise units at the Gladia project, while 1Q2025 delivery of over 400 apartments at the Privia project). Profit increased mainly thanks to:

(1) Goodwill gain of VND285 bn from the 99% acquisition of An Lap Real Estate Development JSC for VND2,553 bn. This is the developer of the An Lap project, which has a scale of 8.2 hectares in Cat Lai Ward, HCMC, located near the Gladia and Binh Trung expansion projects with over 200 low-rise units, thereby increasing the total land area of the project cluster in Binh Trung - Cat Lai Ward to nearly 40 hectares with a total of ~4,000 apartments and ~600 low-rise units.

(2) Gross profit margin increased from 44.3% to 68.2% because the low-rise section of the Gladia project has a higher profit margin than Privia.

Gladia is a key sales project and a major revenue contributor in 2026. By the end of 1Q2026, KDH accumulatively sold approximately 60% and handed over more than 30% of the total 226 low-rise units at the Gladia project. The company commenced construction of the high-rise section with over 600 apartments in January 2026 and expects to launch sales in 3Q2026 and hand over in 4Q2027.

Leverage ratios are higher than the industry median. In 1Q2026, total outstanding debt increased by nearly VND5,200 bn to VND15,348 bn, mainly due to an additional VND2,100 bn loan for the acquisition of the An Lap project and VND2,678 bn for investment in the Le Minh Xuan Industrial Park expansion Phases 2 and 3, the 11A residential area – Phase 2, and the Tan Tao urban area. The Net Debt/Equity ratio increased from 34.9% to 53.5%, and the Net Debt/EBITDA ratio increased from 3.4 times to 5.6 times, respectively higher than the industry median of 30.4% and 1.9 times. We think KDH's leverage ratio will improve by the end of 2026 as the company accelerates sales activities at the Gladia project and sells a portion of its stake in three projects (Binh Trung Dong Expansion, 11A, and Le Minh Xuan Industrial Park Expansion) to form partnerships/joint ventures/associates.

	2023	2024	2025	2026F	2027F
Net Sales (VNDbn)	2,088	3,279	4,651	5,243	7,670
Growth	-28.3%	57.0%	41.9%	12.7%	46.3%
EBITDA (VNDbn)	1,215	1,321	2,173	2,930	3,295
Growth	50.0%	8.7%	64.5%	34.8%	12.5%
NPAT (VNDbn)	716	810	1,045	1,489	2,068
Growth	-35.1%	13.2%	29.0%	42.4%	38.9%
EPS (bonus-adjusted, VND)	710	746	885	1,260	1,751
Growth	-35.8%	5.0%	18.7%	42.4%	38.9%
ROE	5.7%	5.3%	5.8%	7.8%	10.0%
ROIC	2.9%	2.7%	4.9%	6.3%	5.7%
Net debt/EBITDA (x)	2.1	2.8	3.4	3.0	3.3
EV/EBITDA (x)	24.5	23.4	15.9	12.3	11.6
PER (x)	34.1	32.4	27.3	19.2	13.8
PBR (x)	1.4	1.4	1.5	1.4	1.3
DPS (VND)	-	-	-	-	-
Dividend Yield	0.0%	0.0%	0.0%	0.0%	0.0%

Inventories increased due to the acquisition of the An Lap project. In 1Q2026, inventories increased by 25% YoY to over VND29,000 bn, accounting for 73% of total assets, mainly due to the addition of the An Lap project valued at VND5,445 bn.

The real estate market is facing many challenges such as high interest rates and tight credit, affecting buyer sentiment in the short term. However, in the long term, we believe that KDH's projects will achieve favorable absorption rates thanks to their good locations, strong brand name, transparent legal status, interest-support-packages and the impetus from transportation infrastructure projects such as the My Thuy intersection, Cat Lai bridge, Binh Tien bridge and road, etc.

Table 1: Business results

Unit: VNDbn	1Q2025	1Q2026	YoY growth	2026 Target	% Completion
Net revenue	710	281	-60%	4,200	7%
Gross profit	307	183	-40%		
Financial income	20	7	-64%		
Financial expenses	48	17	-64%		
SG&A expenses	117	96	-18%		
Other revenue	9	291*	3225%		
NPAT	119	327	176%		
NPATMI	122	281	131%	1,500	19%

Sources: KDH, ACBS

Note: *includes VND285 bn of profit from the acquisition of the An Lap project.

Table 2: Projects update

Project	KDH's stake	Location	Total area (ha)	Total units	Progress
Gladia	51%	Binh Trung Ward, HCMC	11.8	616 high-rise units and 226 low-rise units	Transfer 49% ownership to Keppel in 2023. Low-rise: completed construction, launched in 3Q2025, delivered from 4Q2025. Accumulatively sold 60% and delivered 30%. High-rise: started construction in Jan 2026, expect to launch in 3Q2026 and deliver from 4Q2027.
Binh Trung Dong expansion	100%	Binh Trung Ward, HCMC	18.2	3,165 high-rise units and 202 low-rise units	Completed land compensation. Had Approval of investment in Principle. Expect to have 1/500 Plan in 2Q2026, start construction in 4Q2026, launch in 2027 and deliver in 2027.
An Lap	99%	Cat Lai ward, HCMC	8.2	202 low-rise units	Completed land compensation. Had Land use right certificate, Approval of investment in Principle and 1/500 Plan. Expect to launch in 2027 or 2028.
Solina (11A)	100%	Binh Hung Ward, HCMC	16.5	1,000 high-rise units and 500 low-rise units	Phase 1 (13ha): Had land allocation decision, had 1/500 Plan, completed land use fee payment, started infrastructure construction in 2025. Expect to launch and deliver from 2027.
Le Minh Xuan expansion IP	100%	Binh Loi and Tan Nhut Wards, HCMC	109.9	n/a	Phase 1 (89ha): Started infrastructure construction and paid land use fee as a lump sum in 2025. Expect to start leasing from the end of 2026 or 2027.
Phong Phu 2	100%	Binh Hung Ward, HCMC	132.9	High-rise and low-rise	Completed land compensation and had Approval of investment in Principle. Expect to start construction in 2027.
Tan Tao urban area	100%	Tan Tao Ward, HCMC	330.0	Urban area	Completed land compensation of over 80%. Had Approval of investment in Principle and 1/500 Plan. Expect to start construction from 2027.
Total			627.5		

Sources: KDH, ACBS

KDH FINANCIALS MODEL	Market price (VND):	24,200	Target (VND):	34,100	Mkt cap (VND bn):	27,158
	(VND bn except where stated)	2023	2024	2025	2026F	2027F
Net Sales		2,088	3,279	4,651	5,243	7,670
<i>Sales growth</i>		-28.3%	57.0%	41.9%	12.7%	46.3%
CoGS ex-dep'n		506	1,525	1,884	1,645	3,397
<i>Gross margin</i>		76.0%	53.1%	59.2%	68.4%	55.5%
SG&A		367	432	594	669	979
<i>SG&A as % of sales</i>		17.6%	13.2%	12.8%	12.8%	12.8%
EBITDA		1,215	1,321	2,173	2,930	3,295
<i>EBITDA margin</i>		58.2%	40.3%	46.7%	55.9%	43.0%
Depreciation		-5	14	13	14	15
Operating profit		1,220	1,308	2,160	2,916	3,280
<i>Operating profit margin</i>		58.4%	39.9%	46.4%	55.6%	42.8%
Profit/loss from associates and JVs		0	0	0	0	0
Financial income (excl. saving interest)		2	-	-	-	-
Financial expenses (excl. interest expense)		148	216	180	345	410
Net interest expense		-48	-38	-40	-50	-57
<i>as % of avg, net debt</i>		22.4%	23.4%	14.2%	13.3%	12.9%
Other profit/loss		-53	-79	18	285	0
<i>Tax</i>		340	247	412	588	592
<i>Effective tax rate (%)</i>		31.8%	23.5%	20.2%	20.2%	20.2%
Minority interest		14	(7)	581	829	267
NPATMI		716	810	1,045	1,489	2,068
<i>Net profit margin (%)</i>		34.3%	24.7%	22.5%	28.4%	27.0%
Cash earnings		725	817	1,640	2,332	2,350
Number of shares (m)		799	1,011	1,122	1,122	1,122
EPS (VND)		860	820	885	1,260	1,751
Bonus factor (x)		0.8	0.9	1.0	1.0	1.0
Adjusted EPS (VND)		710	746	885	1,260	1,751
<i>EPS growth (%)</i>		-35.8%	5.0%	18.7%	42.4%	38.9%

KEY CASHFLOW AND BS ITEMS	2023	2024	2025F	2026F	2027F
Increase in working capital	1,363	5,398	4,914	2,890	4,225
Capex	216	100	683	25	25
Other cash flow items	2,086	379	145	-	-
Free cash flow	1,233	-4,302	-3,813	-1,412	-2,167
Share issues (m)	135	3,184	144	0	0
Dividends paid	0	0	0	0	0
Increase in net debt	-1,368	1,118	3,668	1,412	2,167
Net debt, end of year	2,608	3,726	7,394	8,806	10,973
Shareholders' equity	15,523	19,453	21,164	22,653	24,722
Minority interest	2,072	2,059	2,641	2,827	3,085
BVPS (VND)	16,828	17,203	16,506	17,667	19,280
<i>Net debt / equity (%)</i>	<i>16.8%</i>	<i>19.2%</i>	<i>34.9%</i>	<i>38.9%</i>	<i>44.4%</i>
<i>Net debt / EBITDA (x)</i>	<i>2.1</i>	<i>2.8</i>	<i>3.4</i>	<i>3.0</i>	<i>3.3</i>
Total assets	26,481	30,758	34,074	37,804	42,307

KEY RETURN AND VALUATION RATIOS	2023	2024	2025F	2026F	2027F
<i>ROE</i>	<i>5.7%</i>	<i>5.3%</i>	<i>5.8%</i>	<i>7.8%</i>	<i>10.0%</i>
<i>ROA</i>	<i>3.0%</i>	<i>2.8%</i>	<i>3.2%</i>	<i>4.1%</i>	<i>5.2%</i>
<i>ROIC</i>	<i>2.9%</i>	<i>2.7%</i>	<i>4.9%</i>	<i>6.3%</i>	<i>5.7%</i>
<i>WACC</i>	<i>12.4%</i>	<i>12.5%</i>	<i>11.7%</i>	<i>11.7%</i>	<i>11.6%</i>
<i>EVA</i>	<i>-9.6%</i>	<i>-9.8%</i>	<i>-6.8%</i>	<i>-5.4%</i>	<i>-5.9%</i>
<i>PER (x)</i>	<i>34.1</i>	<i>32.4</i>	<i>27.3</i>	<i>19.2</i>	<i>13.8</i>
<i>EV/EBITDA (x)</i>	<i>24.5</i>	<i>23.4</i>	<i>15.9</i>	<i>12.3</i>	<i>11.6</i>
<i>EV/FCF (x)</i>	<i>24.1</i>	<i>-7.2</i>	<i>-9.1</i>	<i>-25.5</i>	<i>-17.6</i>
<i>PBR (x)</i>	<i>1.4</i>	<i>1.4</i>	<i>1.5</i>	<i>1.4</i>	<i>1.3</i>
<i>PSR (x)</i>	<i>13.0</i>	<i>8.3</i>	<i>5.8</i>	<i>5.2</i>	<i>3.5</i>
<i>EV/sales (x)</i>	<i>14.3</i>	<i>9.4</i>	<i>7.4</i>	<i>6.9</i>	<i>5.0</i>
<i>Dividend yield</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>

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BUY: Expected prospective total return (including dividends) in VND will be 20% or more within 12 months

OUTPERFORM: Expected prospective total return (including dividends) in VND will be from 10% to 20% within 12 months

NEUTRAL: Expected prospective total return (including dividends) in VND will be from -10% to 10% within 12 months

UNDERPERFORM: Expected prospective total return (including dividends) in VND will be from -20% to -10% within 12 months

SELL: Expected prospective total return (including dividends) in VND will be less than -20% within 12 months

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